



GARY R. HERBERT
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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 29, 2016

Scott Bakken
Energy Fuels Resources (USA)
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Second Review of Revised Reclamation Cost Estimate, Energy Fuels Resources (USA), Pandora Mine, M/037/0012, San Juan County, Utah

Dear Mr. Bakken:

The Division of Oil, Gas and Mining has reviewed the referenced draft reclamation cost estimate that was received March 7, 2016. The attached comments will need to be addressed before the Division can approve the estimate.

After the cost estimate is determined complete, the Division will ask that Energy Fuels submit any additional surety required for escalation to 2020 dollars. Energy Fuels' responses to this review, and the other permit reviews currently underway, may be submitted one month after you receive the review comments for the Daneros Mine (S/037/0121) that will follow shortly.

Please contact the lead for this project, Mike Bradley, at 801-538-5332, the surety engineer, Wayne Western, at 801-538-5258, or me at 801-538-5261 if you have questions about the review or if you would like to schedule a meeting to discuss the comments. Thank you for your cooperation in completing this permitting action.

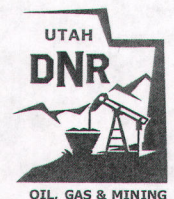
Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: mpb: eb

Attachment: Review

cc: Dave Pals, BLM Moab FO (dpals@blm.gov); Kyle Beagley, USFS (kbeagley@fs.fed.us)
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**PRELIMINARY REVIEW OF NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS**

**Energy Fuels Resources (USA)
Pandora Mine
M/037/0012
April 29, 2016**

General Comments:

(No specific response needed)

Comm ent #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
1	General	The Division may have additional comments based on the responses to this review. Please attempt to provide a complete, technically adequate submittal.	OGM	
2	General	This review is separate from the ongoing review of the NOI amendment submitted in 2010 that included combining this permit with the permit for the La Sal/Snowball mine.	OGM	
3	General	With regard to the reclamation cost estimates, the Division must assume the reclamation will be a worst-case scenario with the Division having to conduct the reclamation in the absence of the operator. Please develop the reclamation cost estimate with this scenario in mind.	OGM	
4	General	The reclamation cost estimate must take into account compliance with all applicable rules and regulations pertaining to worker safety and the handling and disposal of regulated hazardous wastes. The Division is not exempt from complying with these statutes in the event it must undertake the reclamation.	OGM	

R647-4-113 – Surety

Comment #	Sheet/Page/ Map/Table #	Comments	Initials	Review Action
5	Task 1	Disposal cost for mobile office trailer: The unit cost is listed as \$600 per unit. Please include references for disposal costs, such as quotes from local disposal facilities and companies for transporting mobile offices to landfill.	whw	
6	Task 1	Please state to which disposal site the material will be sent and the standard disposal costs.	whw	
7	Task 9	Please include three quotes for well closures if a published source such as RS Means is not used.	whw	
8	Earthwork	If using rental rates based on Wheeler, please include written rental rates from the company.	whw	
9		The Division understands that labor rates in the area are lower than those listed in Means. The Division uses Means labor rates because contractors from the Wasatch front are often used for reclamation project in remote areas of Utah. In such cases the labor rates do not drop because of location.	whw	
10	Summary bonding sheet	Please include 10% for mob/demob. The mob/demob rate includes other items besides equipment costs. For example, the Division will require a performance bond and insurance, and there could be additional permits. The 10% cost is standard for the Division.	whw	